

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALLEN COUNTY WATER)	
DISTRICT OF ALLEN COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO. 96-612
AND NECESSITY TO CONSTRUCT AND FINANCE)	
PURSUANT TO THE PROVISIONS OF KRS 278.023)	

O R D E R

On December 26, 1996, Allen County Water District ("Allen County") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,204,000.00 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 213 additional customers. Project funding includes a \$617,000.00 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), formerly known as the Rural Economic and Community Development Service, a \$512,000 grant from RUS, and \$75,000 from applicants for service in the proposed project area.

Allen County's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on December 26, 1996, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

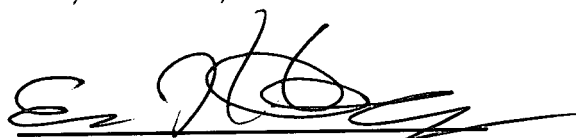
1. Allen County is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Allen County's proposed plan of financing with RD is accepted.
3. Allen County is authorized to issue bonds not to exceed \$617,000.
4. Allen County shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
5. Allen County shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Allen County shall take immediate action to bring the system in compliance with Commission regulations.

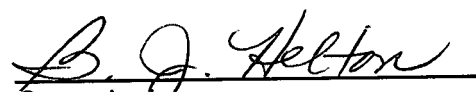
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of January, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director